financial markets in India and abroad are monitored closely both by the Government and the Reserve Bank of India and appropriate measures are taken, when necessary, to reduce excessive volatility in the exchange rate, prevent emergence of destabilizing speculative activities, develop an orderly foreign exchange market conditions and to help maintain adequate level of foreign exchange reserves.

**Global Competitiveness Report**

83. SHRI ABANI RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) Whether according to the World Economic Forum's Global Competitiveness Report 2001-2002, India slips to 57th position in competitiveness ranking as reported in the Hindustan Times dated the 3rd June, 2002;

(b) if so, the details thereof;

(c) whether the factors responsible for country's competitiveness ranking which slipped to a alarming stage have been assessed and identified; and

(d) if so, the details thereof and the corrective steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) (a) and (b) According to Global Competitiveness Report (2001 -2002) of the World Economic Forum, India's rank has come down to 57 in 2001-2002 as compared to 49 in 2000. These rankings are not strictly comparable, as the Report for 2001-2002 includes 17 new countries and incorporates new parameters on technology innovation, infrastructure and financial markets. However, the present Report has highlighted India's competitive advantages in areas like information and communications technology (ICT), promotion of conducive legal framework, access to credit, inflation, real exchange rate and availability of scientists and engineers and quality of research. Among areas relating to India's competitive disadvantages, the Report mentions Government deficit, road infrastructure quality, distortive Government subsidies and labour-employer relations.

(c) and (d) The Government is aware of the shortcomings mentioned and has undertaken several reforms in trade, industry, financial and public sectors to improve efficiency, productivity and competitiveness of Indian industries, and to induce dynamism to the overall growth process. Containment of fiscal deficit

and reforms in land and labour markets also remain high on the agenda of the Government.

**NPA of Banks**

84. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what steps Government propose to take for speedy recovery of debts by banks and financial institutions to deal with non-performing assets of over Rs. 1,00,000 crores;

(b) the value of NPA of banks on 31st March, 2000 and the same on 31st March, 2002; and

(c) the number of cases of recovery of debts by banks pending as on 31st March, 2002?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) Government of India and Reserve Bank of India (RBI) have advised the banks and financial institutions to take several steps for recovery of dues such as evolving and implementation of recovery policy by banks, compromise settlement through Settlement Advisory Committees, filing of suits with Civil Courts, filing of cases with Debt Recovery Tribunals (DRTs). The banks have been advised to use the forum of Lok Adalat for compromise settlement. RBI in July, 2000 had also introduced non-discretionary and non-discriminatory One Time Settlement Scheme for NPAs upto Rs. 5 crore. Further to facilitate foreclosures and enforcement of securities in cases of default and to enable the banks and financial institutions to realize their dues, recently, "The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002" has been promulgated.

Credit Information Bureau has also been set up to disseminate information on borrowers to the Banks. Corporate Debt Restructuring (CDR) scheme has been put in place to provide a transparent mechanism for restructuring of corporate debts of viable entities facing problems due to internal and external factors. A company *viz.* "Asset Reconstruction Company (India) Ltd." has been incorporated under the Companies Act, 1956.

(b) The gross non-performing assets of scheduled commercial banks as at the end of March, 2000 was Rs 63,883 croreandat March, 2002 Rs. 68,074 crore (provisional).